FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

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CC92-77

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September 27, 1994

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OCT 3: 1994

The Honorable Martin Frost U.S. House of Representatives 2459 Rayburn House Office Building Washington, D.C. 20515 FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY

Dear Congressman Frost:

Thank you for your letter on behalf of J.D. Johnson, County Commissioner, Tarrant County, regarding the Commission's Billed Party Preference (BPP) proceeding. On May 19, 1994, the Commission adopted a <u>Further Notice</u> of <u>Proposed Rulemaking</u> in this proceeding. I have enclosed a copy of the <u>Further Notice</u> and press release accompanying it for your information.

The <u>Further Notice</u> sets forth a detailed cost/benefit analysis of BPP. This analysis indicates, based on the available data, that the benefits of BPP to consumers would exceed its costs. The <u>Further Notice</u> seeks comment on this analysis and asks interested parties to supplement the record concerning the costs and benefits of BPP. The <u>Further Notice</u> also invites parties to recommend alternatives to BPP that could produce many of the same benefits at a lower cost.

The <u>Further Notice</u> also explicitly seeks comment on whether correctional facility telephones should be exempt if BPP is adopted. Specifically, the <u>Further Notice</u> seeks additional information on the effectiveness and costs of controlling fraud originating on inmate lines with or without BPP. The <u>Further Notice</u> also seeks comment on a proposal to exempt prison telephones from BPP if the operator service provider adheres to rate ceilings for inmate calling services.

BPP would not preclude prison officials from blocking or limiting inmate calls to specific telephone numbers in order to prevent threatening and harassing calls. Moreover, BPP would not affect the ability of prison officials to limit inmates to collect calling or to program telephone equipment at the prison site to block certain numbers.

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The Honorable Martin Frost Page 2

Thank you for your interest in this proceeding. I can assure you that the Commission will carefully examine all of the comments submitted in response to the Further Notice, including additional empirical data regarding the costs and benefits of implementing BPP and the impact of BPP on telephone service from correctional facilities.

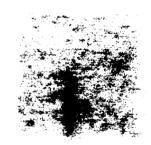
Sincerely yours,

athleen M.H. Wallman

Mull

Chief

Common Carrier Bureau



Enclosures



MARTIN FROST

24th District, Texas

WASHINGTON OFFICE:

2459 Rayburn House Office Building Washington, DC 20515 (202) 225-3605

RULES COMMITTEE

HOUSE ADMINISTRATION COMMITTEE

FLOOR WHIP

Congress of the United States
Souse of Representatives
Washington, DC 20515

August 25, 1994

Ms. Lou Sizemore FCC Office of Legislative Affairs 1919 M St., N.W. Washington, D.C. 20554

Dear Ms. Sizemore:

A constituent of mine recently contacted my office regarding the F.C.C.'s recent proposal to implement billed party preference.

Enclosed is a copy of the correspondence. I would appreciate any comments you may have so that I can be responsive to my constituent. Thank you for your attention to this matter.

Sincerely,

MARTIN FROST

Member of Congress

MF:alb



TARRANT COUNTY

PRECINCT NUMBER FOUR

J. D. JOHNSON COUNTY COMMISSIONER PRECENCT NO. 4

July 29, 1994

Cong. Martin Frost 400 South Zang Blvd. Dallas TX 75208 DOCKET FILE COPY ORIGINAL

Dear Cong. Frost,

As a representative of Tarrant County, I am writing to ask that you defeat the proposal to implement Billed Party Preference. First, because the basic reason for BPP is to insure users of public communications open access to their long distance carrier of choice, and the bypass regulations in place today already allowing for the public's open access to carrier of choice. Second, by not allowing private payphone owners and location clients the right to choose the primary long distance carrier on their equipment, the owner and/or location client, loses the ability to negotiate fair commissions from their selected carrier, because the location owner under BPP brings no value to the primary carrier because each caller has his call automatically routed to the carrier he has chosen for his residence. Net result is that location owners and clients lose their right to fair commissions on revenue generated from their properties.

Lastly, the inmate phone business is vastly different from the environment of public communication users, and should be exempt from BPP, even if it were to pass. For instance, correctional institutions are allowed to cut off any collect call to a location where third party or call conferencing is detected. (No Bell company, LEC or IXC is permitted to do that) Further, an inmates concern is not so much choice of carrier, but whether or not the institution will even allow him to even make calls. Institutions have become more and more liberal on open calling policies when they can share fairly from the revenue of each call. Without this inmate phone commission revenue, many correctional institutions wouldn't put up with security concerns of open calling and many would go back to the days of one call every 90 days.

260691



J. D. JOSENSON
COUNTY COMMISSIONER
PRECENCY NO. 4

The public is demanding taxpayer relief from incarceration costs, and inmate phone revenue, never available before deregulation, needs to continue its income generating role. With Billed Party Preference that will not happen.

Sincerely,

J. D. Johnson